

AMENDED IN ASSEMBLY FEBRUARY 27, 2001

CALIFORNIA LEGISLATURE—2001–02 FIRST EXTRAORDINARY SESSION

ASSEMBLY BILL

No. 37

Introduced by Assembly Members Frommer, ~~Wiggins, Alquist, Migden, Keeley, Thomson, and Calderon~~ Alquist, Calderon, Cohn, Keeley, Koretz, Migden, Thomson, and Wiggins

February 9, 2001

An act relating to energy resources, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 37, as amended, Frommer. Energy resources:—~~energy generation measures.~~

Existing law imposes various requirements on various entities with regard to energy conservation, generation, and development in the state.

Under existing law, the Emerging Renewable Resources Account is created in the Renewable Resource Trust Fund and specified portions of revenues collected by electrical corporations for the benefit of in-state operation and development of existing and new and emerging renewable resource technologies are required to be transmitted to the State Energy Resources Conservation and Development Commission (energy commission) for deposit in the Renewable Resource Trust Fund. The money in the fund and the account is continuously appropriated to the energy commission for specified purposes, including a multiyear, consumer-based program to foster the development of emerging renewable technologies in distributed generation applications. Existing law requires this program to provide monetary rebates, buydowns, or equivalent incentives to purchasers, lessees, lessors, or

sellers of eligible electricity generating systems and limits the incentives to a maximum percentage of the system price, as defined by the energy commission.

This bill would require the ~~State Energy Resources Conservation and Development Commission, in cooperation with the Public Utilities Commission, to design a program~~ energy commission to expand existing programs to promote clean distribution generation technologies, as defined, ~~and would appropriate~~. The bill would transfer \$50,000,000 from the General Fund to the ~~Energy Commission~~ ~~for this purpose~~ Emerging Renewable Resources Account in the Renewable Trust Fund. The bill would continuously appropriate the money so transferred to that account to the energy commission, of which \$36,500,000 would be authorized to be expended for an increase in the rebate amount for small distributed emerging technologies meeting specified requirements and \$13,500,000 for rebates for small distributed emerging technologies that meet those requirements and are located at a customer site receiving distribution services from a local publicly owned electric utility.

The bill would authorize the commission to increase the maximum rebate levels for certain distributed emerging technologies that have a peak capacity greater than 10 kilowatts, if the commission makes a specified determination.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares ~~that a~~ *all of*
- 2 *the following:*
- 3 (a) *California is currently experiencing an energy crisis that*
- 4 *threatens the public health and safety and environmental*
- 5 *well-being of the state.*
- 6 (b) *The shortage of electrical supply and inadequacies in the*
- 7 *electric transmission and distribution systems is a detriment to the*
- 8 *economy. The installation of clean distributed generation can*
- 9 *increase the supply of electricity, increase self-sufficiency of*
- 10 *consumers, and improve system reliability.*



1 (c) To encourage consumers to install renewable energy
2 systems that help reduce the state's energy use and enhance
3 electricity reliability, this act authorizes the State Energy
4 Resources Conservation and Development Commission to
5 increase financial assistance for small renewable energy systems
6 under the commission's existing programs.

7 SEC. 2. (a) The State Energy Resources Conservation and
8 Development Commission (~~California Energy Commission~~), in
9 cooperation with the ~~Public Utilities Commission~~, shall design a
10 ~~program~~ shall expand programs to promote clean distributed
11 generation technologies, as defined in subparagraph (C) of
12 paragraph (2) of subdivision (d) of Section 383.5 of the Public
13 Utilities Code, neither owned nor controlled by electrical
14 corporations. ~~Incentives shall be developed to Pursuant to~~
15 ~~subdivisions (c) and (d), the incentives that the commission shall~~
16 ~~develop pursuant to this section shall~~ address existing barriers to
17 the increased use of these technologies, including, but not limited
18 to, incentives to help reduce the initial system purchase price,
19 develop ~~low-cost~~ low-cost financing mechanisms, eliminate
20 interconnection fees charged by electrical corporations, and
21 streamline the utility interconnection process by reducing
22 administrative delay.

23 (b) The sum of fifty million dollars (\$50,000,000) is hereby
24 appropriated from the General Fund to the Energy Commission to
25 implement the program specified in subdivision (a).

26 ~~(c) The Energy Commission may adopt regulations for~~
27 ~~purposes of this division as emergency regulations in accordance~~
28 ~~with Chapter 3.5 (commencing with Section 11340) of Part 1 of~~
29 ~~Division 3 of Title 2 of the Government Code. For purposes of that~~
30 ~~Chapter 3.5, including Section 11349.6 of the Government Code,~~
31 ~~the adoption of the regulations shall be considered by the Office~~
32 ~~of Administrative Law to be necessary for the immediate~~
33 ~~preservation of the public peace, health and safety, and general~~
34 ~~welfare. Notwithstanding subdivision (e) of Section 11346.1 of~~
35 ~~the Government Code, the regulations shall be repealed 180 days~~
36 ~~after their effective date, unless the adopting authority or agency~~
37 ~~complies with that Chapter 3.5, as provided in subdivision (e) of~~
38 ~~Section 11346.1 of the Government Code. transferred from the~~
39 ~~General Fund to the Emerging Renewable Resources Account in~~
40 ~~the Renewable Trust Fund established pursuant to Section 445 of~~



1 *the Public Utilities Code. Notwithstanding Section 13340 of the*
2 *Government Code, the money transferred from the General Fund*
3 *to the Emerging Renewable Resources Account by this subdivision*
4 *is hereby continuously appropriated to the State Energy Resources*
5 *Conservation and Development Commission, without regard to*
6 *fiscal year, for the purposes specified in subdivision (c).*

7 *(c) The money appropriated pursuant to subdivision (b) may be*
8 *expended by the commission only for the following purposes:*

9 *(1) Thirty-six million five hundred thousand dollars*
10 *(\$36,500,000) for an increase in the rebate amount available for*
11 *small distributed emerging technologies that are eligible for*
12 *funding pursuant to subdivision (d) of Section 383.5 of the Public*
13 *Utilities Code that have a peak generating capacity of 10 kilowatts*
14 *or less. The commission shall determine the maximum rebate level*
15 *for small systems to be awarded pursuant to this paragraph. Within*
16 *the maximum rebate level, the commission may provide for*
17 *different rebate levels, such as higher rebate levels for systems*
18 *installed and operational within a specified timeframe, or for*
19 *targeted end-use customers that need additional financial support,*
20 *such as for public schools and state and local governmental*
21 *facilities.*

22 *(2) Thirteen million five hundred thousand dollars*
23 *(\$13,500,000) for rebates for small distributed emerging*
24 *technologies that are eligible for funding pursuant to subdivision*
25 *(d) of Section 383.5 of the Public Utilities Code that have a peak*
26 *generating capacity of 10 kilowatts or less and that are located at*
27 *a customer site receiving distribution service from a local publicly*
28 *owned electric utility, as defined in Section 9604 of the Public*
29 *Utilities Code. The commission shall determine the maximum*
30 *rebate level for small systems to be awarded pursuant to this*
31 *paragraph. Within the maximum rebate level, the commission may*
32 *provide for different rebate levels, such as higher rebate levels for*
33 *systems installed and operational within a specified timeframe, or*
34 *for targeted end-use customers that need additional financial*
35 *support, such as for public schools and state and local*
36 *governmental facilities.*

37 *(d) Notwithstanding subdivision (d) of Section 383.5 of the*
38 *Public Utilities Code, the commission may increase the maximum*
39 *rebate levels for distributed emerging technologies eligible for*
40 *funding under subdivision (d) of Section 383.5 of the Public*



1 *Utilities Code that have a peak generating capacity greater than*
2 *10 kilowatts, if the commission determines that an increase is*
3 *appropriate to further stimulate the installation of emerging*
4 *renewable technologies in general or for targeted end-use*
5 *customers that need additional financial support, such as public*
6 *schools and state and local governmental facilities. The maximum*
7 *incentive levels established by the commission may vary based on*
8 *system size and type of end-use consumer.*

9 *(e) For purposes of this section, “commission” means the State*
10 *Energy Resources Conservation and Development Commission.*

11 SEC. 3. This act is an urgency statute necessary for the
12 immediate preservation of the public peace, health, or safety
13 within the meaning of Article IV of the Constitution and shall go
14 into immediate effect. The facts constituting the necessity are:

15 In order to address the rapid, unforeseen shortage of electric
16 power and energy available in the state and rapid and substantial
17 increases in wholesale energy costs and retail energy rates, which
18 endanger the health, welfare, and safety of the people of this state,
19 it is necessary for this act to take effect immediately.

